

STATE OF CALIFORNIA
BUSINESS, TRANSPORTATION AND HOUSING AGENCY
DEPARTMENT OF CORPORATIONS

TO: Miro Zecevic, CEO
Cash Now-USA.Com, Inc.
Cash Now.com, LLC
2005 Easton Road
Doylestown, PA 18901

David G. McClean, Marketing Director
Cash Now-USA.Com, Inc.
3100 Steeles Avenue East, Suite 201
Toronto, Ontario L3R 8T9 Canada

Gary McNulty
Cash Now-USA.Com, Inc.
3100 Steeles Avenue East, Suite 201
Toronto, Ontario L3R 8T9 Canada

Victor Graham, Business Consultant
Cash Now-USA.Com, Inc.
3100 Steeles Avenue East, Suite 201
Toronto, Ontario L3R 8T9 Canada

DESIST AND REFRAIN ORDER

(For violations of sections 31110 and 31201 of the Corporations Code)

The California Corporations Commissioner finds that:

1. Cash Now-USA.Com, Inc. is a Delaware corporation with its head office located at 3100 Steeles Avenue East, Suite 201, Toronto, Ontario, L3R 8T9, Canada. Cash Now-USA.Com, Inc. formerly maintained a regional office in the United States at 8260 Greensboro Drive, Suite 550,

1 McClean, Virginia 22102. As of January 26, 2004, its regional office in the United States has been
2 moved to 2005 Easton Road, Doylestown, PA 18901. Cash Now.com, LLC is a Delaware limited
3 liability company with its offices located at the same addresses as those of Cash Now-USA.Com, Inc.
4 Cash Now.com, LLC is an affiliate of Cash Now-USA.Com, Inc. Additional affiliates of the two
5 companies include Cash Now, Inc. and Cash Now Plus.com, LLC, which also operate from the same
6 addresses.

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8 2. Cash Now-USA.Com, Inc. maintains websites at www.cashnow.com, www.cashnow-usa.com,
9 www.cashnowplusllc.us, www.cashnowllc.us, and www.cashnowamerica.com.

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11 3. Miro Zecevic is the CEO of Cash Now-USA.Com, Inc. He is also the CEO and Managing
12 Member of Cash Now.com, LLC. David G. McClean is the Marketing Director of Cash Now-
13 USA.Com, Inc. and has also used the titles Senior Consultant and Senior Business Development
14 Consultant. His email address is davidm@cashnow.com. Gary McNulty is a marketing employee of
15 Cash Now-USA.Com, Inc. Victor Graham is a Business Consultant of Cash Now-USA.Com, Inc.
16 His email address is victor@cashnow.com.

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18 4. Cash Now-USA.Com, Inc. and Cash Now.com, LLC have offered franchises to members
19 of the general public from websites for the operation of payday loan businesses under the names Cash
20 Now and Cash Now Plus. Cash Now franchises offer only payday loan services. Cash Now Plus
21 franchises offer payday loans in combination with other services such as check cashing. Cash Now-
22 USA.Com, Inc. and Cash Now.com, LLC claim to own a unique system for opening and operating
23 such businesses.

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25 5. During the period of approximately January through September of 2003, Cash Now-
26 USA.Com, Inc. sold Cash Now or Cash Now Plus franchises to at least five residents of California.
27 Each of the five California residents purchased a franchise to operate a Cash Now or Cash Now Plus
28 outlet in California. California franchise purchasers were required to pay initial nonrefundable

franchise fees of approximately \$5,000, plus subsequent fees which, when added to the initial nonrefundable fee, totaled amounts including a range from \$24,900 to \$29,500. The franchisees further agreed to pay monthly "Royalty Fees" in amounts such as 5% of "gross revenues," or a minimum monthly royalty fee of \$300. In exchange for their payment of such fees, each of the California franchisees was granted a license to operate a Cash Now outlet in one "territorial target area" designated in their Franchise Agreement, including "use of the Marks of Cash Now." Each franchisee executed an agreement containing an acknowledgement by the franchisee of the importance of operating their outlets in conformance with the Cash Now System:

You recognize the benefits to be derived from being identified with the System. You also recognize the value of the Marks and the continued uniformity of image to you by Cash Now, and other franchisees of Cash Now. You understand the importance to the System of Cash Now's high and uniform standards of quality, cleanliness, appearance and service, and further recognize the necessity of opening and operating your Cash Now outlet (the "Outlet") in conformity with the System.

6. David G. McClean and Gary McNulty represented Cash Now-USA.Com, Inc. in communications with the five franchisees prior to their purchases. In addition, one of the five prospective franchise purchasers received a letter dated January 23, 2003 signed by David G. McClean, Sr. Consultant, and Miro Zecevic, CEO, inviting him to make a formal application to become a Cash Now franchisee.

7. In October, 2003, Business Consultant Victor Graham represented Cash Now-USA.Com, Inc. in email communications with a California resident who was a prospective franchise purchaser. In one email communication Victor Graham stated:

"Write down your questions as you read the document [Prospectus] and feel free to call me for answers.... Regardless of your enthusiasm and desire to move forward after reviewing the

1 'Prospectus', it is imperative that you speak with me first, before doing an on-line application.
 2 This I strongly request due to the protocol in becoming a franchisee."

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 4 8. The offer of franchises by Cash Now-USA.Com, Inc. in California has not been registered
 5 under the Franchise Investment Law and is not exempted under Chapter 1, beginning with
 6 Corporations Code section 31100, of that law.

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 8 9. The offer of franchises by Cash Now-USA.Com, Inc. were made by means of written and
 9 oral communications with included untrue statements of material fact and omitted to state materials
 10 facts necessary in order to make the statements made, in the light of the circumstances under which
 11 they were made, not misleading. Cash Now-USA.Com, Inc., through its officers and employees,
 12 misrepresented the number of other franchises that had been sold by the company in California, made
 13 communications to prospective franchisees which omitted information about administrative orders
 14 which had been issued against the company, its affiliates and its officers and directors by other states,
 15 and omitted information concerning the fact that the franchises that were being offered had not been
 16 registered in accordance with California law.

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 18 10. In November, 2003, Cash Now.com, LLC sold a Cash Now franchise to a resident of
 19 California. The offer of franchises by Cash Now.com, LLC has not been registered under the
 20 Franchise Investment Law and is not exempted under Chapter 1, beginning with Corporations Code
 21 section 31100, of that law.

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 23 Based upon the foregoing findings, the California Corporations Commissioner is of the
 24 opinion that Miro Zecevic, David G. McClean, Gary McNulty, Victor Graham, Cash Now-
 25 USA.Com, Inc. and Cash Now.com, LLC have offered and sold franchises in California that were
 26 subject to registration under the Franchise Investment Law without the offers first being registered, in
 27 violation of Corporations Code section 31110. The California Corporations Commissioner is of the
 28 further opinion that Miro Zecevic, David G. McClean, Gary McNulty, Victor Graham, and Cahs

Now-USA.Com, Inc. have offered and sold franchises in California by means of written and oral communications which included untrue statements of material fact and which omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, in violation of Corporations Code section 31201. Pursuant to section 31402 of the Corporations Code, Miro Zecevic, David G. McClean, Gary McNulty, Victor Graham, Cash Now-USA.Com, Inc. and Cash Now.com, LLC are hereby ordered to desist and refrain from the further offer or sale of Cash Now and Cash Now Plus franchises unless and until the offers have been duly registered under the Franchise Investment Law.

This Order is necessary, in the public interest, for the protection of investors and consistent with the purposes, policies and provisions of the Franchise Investment Law.

Dated: March 30, 2004
Los Angeles, California

WILLIAM P. WOOD
California Corporations Commissioner

By _____
ALAN WEINGER
Supervising Counsel
Enforcement and Legal Services